

## **BLIGHT ELIMINATION PROGRAM – 2015 FUNDING OPPORTUNITY**

### *Questions and Answers*

**Question:** Are Public Housing Authorities eligible to apply for this program?

**Answer:** In the state of Michigan, if the authority is empowered by the constitution or by law to prepare budgets of estimated expenditures and revenues, then the authority is considered a local unit and would be eligible.

**Question:** The program statement indicates that site control must be obtained in 90 days. Does that mean the land bank or local must own it? Or can it be privately owned and the land bank/local just needs permission to demolish?

**Answer:** Site control means;

- The property is owned by the local/land bank, OR
- The property has gone through the local dangerous building ordinance that has given the authority to demolish, OR
- The private owner has given consent to demolish.

**Question:** In 2013 our city was awarded funding for blight elimination through DHS/MLB/MSHDA. Will former recipients who apply for the 2015 funds have a disadvantage during the scoring process? Or will all applicants be equally eligible?

**Answer:** As long as the City is not ineligible per the current application guidelines (below), they will be scored in the same manner as any other eligible applicant applying for funding.

#### **Ineligible Projects:**

- Projects involving residential demolition in designated Help for the Hardest Hit Blight Elimination cities.
- Projects submitted by applicants with more than \$1,000,000 in undisbursed HHF funds.
- Demolitions of industrial property.
- Demolition of properties that are listed in the National Register of Historic Places (either individually or as part of a historic district) or those found within local historic districts designated under 1970 PA 169 for which the State Historic Preservation Office (SHPO) and/or the local historic district commission has not already approved demolition.

**Question:** If the property is in the historic register, but is in imminent danger of collapsing, is it still ineligible? Would I need to get SHPO to release its historic status in order for it to be eligible?

**Answer:** The property would be ineligible, unless the SHPO demolition approval was obtained prior to the submittal of the proposal.

**Question:** The City is considering a former elementary school for this project, and we just want to be sure it meets the eligibility requirements before we proceed with the application. The building was sold by the school district and used for meetings and as a gym, and is now abandoned and blighted and owned by the county through a tax foreclosure process. It's in a residential area and we believe we can redevelop the site with residential housing.

**Answer:** Yes, a school is eligible for this funding. Although in this instance you would need consent from the County to demolish the property in order to establish site control.

**Question:** If awarded a blight grant, how are the funds disbursed?

**Answer:** This is a reimbursement grant and funds are disbursed to the grantee once the demolition activity is completed.

**Question:** I am reviewing the grant for demolition of commercial property. I see that additional investment is part of category 4. Am I correct that you need to have at least 1% of the total funds as a match?

**Answer:** Leveraged funding for the project is not required; however zero points would be awarded for that category.

**Question:** When do the funds need to be expended?

**Answer:** Funding will need to be expended and paid out in approximately 1 year from award.

**Question:** Industrial properties are not eligible to receive funds; however, publicly owned blighted properties are automatically eligible for demolition. If an abandoned industrial site is publicly owned, does it become eligible for funding?

**Answer:** Industrial sites are not eligible regardless of the ownership.

**Question:** The City must have consent from the property owner to demolish a building. Does the property owner maintain ownership of the property? Are there restrictions to the property after the building is demolished?

**Answer:** If the City is only getting consent from the owner to demolish the owner would retain ownership of the property. This grant will put no restrictions on the property.

**Question:** How do you define “commercial”? For example, the City typically defines residential structures with more than four units as “commercial” buildings even though they are categorized as a “residential” land use. The City also defines former school buildings as “commercial” structures even though they are a “governmental/institutional” land use.

**Answer:** For this funding opportunity residential is defined as a place where people live or could live, so multi-family would be residential and a school would be commercial.

**Question:** Will there be an option for the State to administer the grant (like in the 2012-13 round) or will funds be distributed directly to the grantee for payment to the contractor?

**Answer:** The funds will be distributed directly to the grantee for payment to the contractors on a reimbursement basis. The Michigan Land Bank will not be providing demolition services for this round.

**Question:** The property is owned by Fannie Mae and the City has filed to have the property condemned. Fannie Mae has not appealed and their ability to do so has expired. Does the City have to own the property in order to request funding for blight elimination?

**Answer:** As long as the property has gone through a dangerous building process which established legal authority to demolish it or the owner gives you consent to demolish, the city does not have to own the property.

**Question:** If we were to receive funding for demolition, would we still be able to place a lien against the property for the cost of the demo?

**Answer:** This grant will put no restrictions on the property, so the local municipality may move forward with their normal policies and procedures whatever they may be.